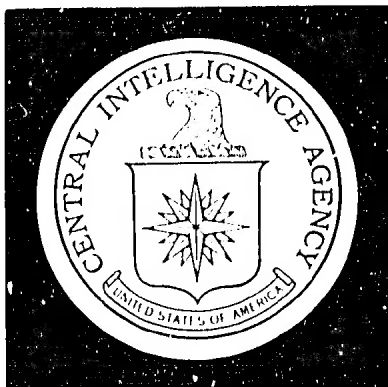


Approved For Release
2009/08/14 :
CIA-RDP85T00875R001500020

Approved For Release
2009/08/14 :
CIA-RDP85T00875R001500020

Secret

25X1



DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Special Report

*The Marxist Government In Chile:
Its Evolution, Realization, and Prospects*

DOCUMENT SERVICES BRANCH
FILE COPY
DO NOT DESTROY

DSB FILE COPY
RETURN TO 1E-61

Secret

No 678

4 December 1970
No. 0399/70

Page Denied

SECRET

25X1

*The Marxist Government In Chile:
Its Evolution, Realization, and Prospects*

Salvador Allende, a Marxist, became President of Chile on 3 November after a long career as a leader in that country's democratic system. The initial panic following his victory by a narrow plurality in the election of 4 September caused an exodus of many key upper and middle class Chileans and a rapid deterioration of the economy. Now, however, most Chileans apparently have accepted with resignation—and many with hope—the prospect of the socialist “new society” that Allende promises. This propensity for accommodation is a Chilean trait that the new government can exploit to its advantage in extending its control. Allende's immediate actions after assuming power indicate that he intends to fulfill his promises to build a “peoples' state.”



SECRET

25X1

Salvador Allende and the Evolution of the Popular Front

Salvador Allende was born in Valparaiso in 1908 into a professional family active in the Radical Party, the first middle class political party of any consequence in Chile. Like many anticlerical Chileans, Allende's father and grandfather were ranking Masons, an inheritance of political importance that he has maintained. Allende's shift away from his family's political affiliation came while he was attending medical school at the University of Chile in Santiago. At the time, dictator Carlos Ibanez was in power, and Allende chose to express his opposition by joining the Marxist, but extremely nationalistic, new socialist movement.

The movement enjoyed a few brief days of glory in 1932 when Socialist air force Colonel Marmaduke Grove led Chile's most recent military coup. Allende's student political activities brought him a prison sentence and, he claims, were the reason that he did not get a government medical post after he graduated in 1933, although a newly elected administration was by then in power. He settled for a job doing autopsies, but spent most of his time helping to organize the Socialist Party in Valparaiso. By 1937 he headed the party there and was its deputy in the national congress.

When President Pedro Aguirre Cerda of the Radical Party formed Chile's first popular front government in 1938 with the Communists and Socialists, Allende, then 30, became minister of health and subsequently headed the Chilean Workers Social Security Fund. In 1945 he was elected to the Senate, where he served continuously for 25 years until he became president.

The Communists and Socialists participated in three popular front governments under Radical presidents between 1939 and 1948. Neither found the experience of lasting benefit, and for the Communists it proved nearly disastrous when their party, having previously lost its three cabinet posts, was declared illegal in 1948.

In 1952 the Socialists divided over supporting the presidential bid of ex-dictator Ibanez. Allende ran for the presidency himself with some support from the Socialists and the still-outlawed Communist Party (PCCh). The Communists evidently found in Allende many qualities that suited their needs. They especially valued his assistance in their successful fight to regain political respectability and to build a legal and effective organization. The 1952 effort was the beginning of the Socialist-Communist drive to gain political power through a Marxist-controlled popular front adapted to Chilean political realities. The cooperation has been difficult but neither party has let the profound differences, suspicions, and conflicting ambitions between the more extremist, individualistic Socialists and the disciplined, Moscow-line Communists destroy the joint effort. By sustained use of the front both have become established parts of the political scene, with substantial and continuing legislative and electoral influence.

Salvador Allende has played a major role in keeping the alliance alive. He served as the first president of the Popular Revolutionary Action Front (FRAP), the name adopted for the Communist-Socialist political effort in 1956 and used until the Popular Unity (UP) was formed with four non-Marxist parties for the 1970 presidential campaign. Allende was the FRAP candidate in 1958 when he ran a strong second to conservative Jorge Alessandri in a five-man race, and in 1964, when he received 39 percent of the vote as opposed to Christian Democratic Eduardo Frei's 56 percent. Allende's leadership position in the Marxist front has been obvious but never complete or unchallenged. The Socialist Party's preference for the Communist Chinese and Castro models over that of Moscow was manifested in Allende's trips to Peking and Havana in the 1960s and in his leadership of the Latin American Solidarity Organization formed in Havana in 1967 to promote revolution in Latin America. He used his prestige as president of the Chilean Senate from 1966-68 to popularize and lend respectability to these activities, and in one case at least, to support them. In early 1968 he personally escorted

SECRET

SECRET

25X1

the survivors of Che Guevara's guerrilla group, which had escaped from Bolivia into Chile, across the Pacific Ocean to Tahiti to ensure, he said, their safety "from imperialist agents."

Allende frequently stresses that the road to revolution and socialism is different for each country and that Cuba's way is not that of Chile. It is Allende's pragmatism that has kept him acceptable to the Communist leaders despite their own orthodoxy and opposition to the Cuban and Chinese "aberrations." The Communists not only reject the armed revolutionary path as unsuited to Chile, but also consider its advocates and practitioners a real threat to their party's careful buildup of legal political power. They have been particularly upset by the rapid growth since 1967 of the terrorist Movement of the Revolutionary Left (MIR), which operates with the encouragement and support of several Socialist leaders. The MIR will be tolerated, however, as long as it does not embarrass the government by its activities.

The Creation of the Popular Unity Coalition

Correctly assessing a leftward shift among Chileans under the Christian Democratic government of Eduardo Frei, Communist leaders decided that the 1970 presidential election was a timely opportunity to push their own popular front strategy. After Guevara's failure, Castro, with some Soviet urging, had toned down his call for revolution in other Latin American countries. Probably for the same reason his strong attacks on orthodox Communist parties, including the PCCh, stopped. The Chilean congressional elections in March 1969 showed a decline in the Christian Democratic vote and an increase in the National Party vote, indicating fragmentation and polarization of the middle and right combination that had given Frei such a large majority in 1964.

The Communist Party decided to organize an electoral coalition of leftist and Marxist forces in which it would play the guiding role. Two major aspects of the coalition would be the inclusion of non-Marxist groups, particularly the

declining but still large Radical Party, and the organization of thousands of local campaign committees under PCCh control. The Communists believed that both would serve as curbs on the Socialists, who dislike and distrust the Radicals and have little organizational ability.

The Socialists maintained their discordant views throughout the creation of the UP in the last half of 1969. The Communists, however, were determined to maintain the collaboration because they realized that the Socialists appealed to intellectuals and many other Chileans disillusioned with the PDC and wary of the disciplined PCCh and of its close ties with Moscow. Some Socialist leaders opposed the choice of Allende as the party's presidential candidate, and it was only the strong support he drew from Socialist grass roots that led to his nomination by the party in August 1969.

Three smaller leftist groups—the Social Democrats, the Popular Independent Alliance, and the breakaway Christian Democratic leftists—called MAPU—joined the coalition. The struggle over who would be selected as the coalition flag-bearer became so intense that by the end of 1969 the impasse threatened to destroy it. The Communists insisted that the carefully worked out program was the essence of the Popular Unity and the candidate merely an instrument for the realization of this pluralistic effort to build a new society and, eventually, a socialist state.

Allende, with the tenacity that is frequently described as his outstanding characteristic, refused to give in, despite rumors that he had done so. Finally, in late January 1970, the lack of agreement on any other choice tipped the scales, and he was nominated as the UP candidate.

From the beginning of the campaign it was the Communists who provided the drive and the organizational skills that were ultimately to bring about Allende's victory. They concentrated on the organization of more than 8,000 local campaign committees. The Communists frequently

SECRET

SECRET

25X1

complained that the Socialists were uncooperative, unorganized, and unenthusiastic in their campaign efforts; the PCCh also believed the Socialists were taking dangerous risks through their continued collaboration with the activities of the MIR.

There were no last minute dramatic developments in the campaign. Few Chileans saw any of the candidates as outstanding, and none of them managed to build an appeal or an urgency sufficient to attract the many unaffiliated and undecided voters. On election day, 16 percent of the qualified voters stayed at home—a high abstention rate for Chile.

The Election

Allende's slim victory on 4 September, a 36.6-percent plurality, was not the result of an important swing to him or to Marxist ideas. It was, rather, the product of a carefully contrived popular front effort keyed to current Chilean realities, including cynicism and the failings of Allende's two opponents. The winner's showing was only a few percentage points higher than the combined Communist and Socialist vote in the 1969 congressional elections—a result that may explain the cavalier treatment afforded to the other four UP components in the division of cabinet posts in the new government.

Christian Democrat Tomic claims that those who voted for him (28.1 percent) signified their approval of far leftist programs. Alessandri's attitude following his defeat by only one percentage point was equivocal. At first he did not concede, and after some urging said that he would contend the congressional runoff but would not serve if he won; such action would have triggered a new election. Following the ultimate PDC decision to support Allende in the runoff, Alessandri requested that no votes be cast for him.

The panicky reaction of many wealthy and influential Chileans immediately following the election further weakened the opposition, and

efforts to undertake a military coup against Allende never got off the ground. The shooting of the commander in chief of the army just two days before the runoff was turned into a major advantage for Allende. The public shock over the assassination was widespread, and most people believed the charge that it was an attempt by Allende's opponents to overturn constitutional order. Perhaps more importantly, the assassination united the politically divided armed forces behind Allende's legal right to the presidency as nothing else could have done. It canceled for the time being the prospect of any military move against Allende.

The electoral victory seems to have been something of a surprise to all the UP members except the Communists, who, with the Socialists, moved quickly to consolidate it. They asserted influence and control in key areas of the media, the government, and the universities. They revealed a sure sense of the real centers of power that left the opposition groping. The presence of scores of UP members in these and other fields was an advantage quickly expanded, and many leftist Christian Democrats enthusiastically joined the UP efforts. The drive was selective, thorough, rapid, and very effective. It ranged from death threats to various stages and forms of intimidation.

The three Santiago television channels backed Allende's claim to the presidency. All but a few of the newspapers and radio stations swung behind him, and the number that held out dwindled fast under threats and pressure. His presidency was presented as inevitable, and cooperation was recommended as the best course. There was a strong propaganda effort to restore public confidence and to paint a Popular Unity government as merely another step in the political process that Chileans boast is more advanced than most.

Salvador Allende as President

Allende's personal qualities may prove as important as his ideology to the pace at which the

SECRET

SECRET

25X1



"A man so various, that he seem'd to be
Not one, but all mankind's epitome:
Stiff in opinions, always in the wrong;
Was everything by starts, and nothing long;
But, in the course of one revolving moon,
Was chemist, fiddler, statesman, and buffoon:
Than all for women, painting, rhyming, drinking,
Besides ten thousand freaks that died in thinking."

John Dryden

Marxist transformation of Chile is accomplished. A vain man with a strong regard for himself as a leader of unique abilities, Allende is luxuriating in his triumph in his fourth attempt to become president. Since 4 September he has demonstrated his ability to shift tactics almost constantly in effectively corraling support and dividing opposition. He is a master politician with extensive experience in the political system that he intends to make destroy itself. His personal knowledge of the strengths and weaknesses of his supporters as well as his opponents is nearly unparalleled among Chilean political figures, and his ability to exploit the knowledge is the real basis for his long pre-eminence in the country's political life.

Faced with a bitter internal struggle for power among the factions of his coalition, Allende first put his closest and most reliable Socialist colleague, the strongly anti-US Jose Toha, in the one post he considered critical—the Interior Ministry. He then named Communists and Socialists to the key ministries and other government posts, despite his repeated assurances that he would have a "pluralistic government." Although he has instituted many economic measures sure to appeal to the poor and middle classes, he has proceeded cautiously in major economic moves. He has complained of the "harsh legacy of capitalism" he received, but he has sent his representatives to talk soothingly to businessmen. Allende's reported plans for a congressionally approved negotiated nationalization of major foreign mining industries and his personal assurances to other foreign investors will moderate economic problems during the transition period. Should his government renege on these assurances at any time, he could claim with justification that he had promised to build a socialist society in whatever way seemed best for Chile.

Allende, at 62, makes no particular secret of some personal indulgences such as philandering and drinking and expensive tastes in art and automobiles. They are less likely to tarnish his image as a Marxist and a leader than they are to undermine his reportedly uncertain health and lessen

SECRET

SECRET

25X1

his ability to control the ill-assorted forces that make up his government. He may be tempted to allow some of his quarrelsome collaborators to make the inevitable mistakes that call for scapegoats while he concentrates on the activities and maneuvers that he considers most important.

The Popular Unity Cabinet

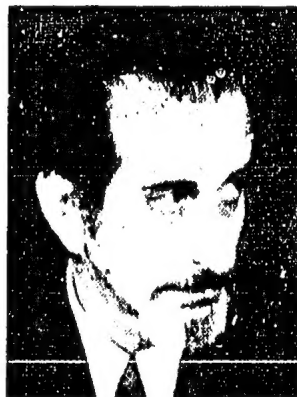
Allende's most significant action has been the selection of a predominantly hard-line, militant cabinet, a choice unexpected by those who hoped that he would move slowly to impose Marxist controls. Socialists and Communists dominate the key posts, either as ministers or in positions of control such as deputy ministers or heads of government corporations.

The make-up of the cabinet reflects the determination of the Socialists to assert from the start their predominance in setting policy. With Allende's backing they held out for the two top ministries, interior and foreign affairs, and in addition received housing and the secretary generalcy of the government. A significant number of Socialist technicians with Cuban experience have also been named to crucial jobs. The Communists, fearful of PS domination of the administration, insisted on and received four ministries too, although Minister of Economy and Development Vuskovic does not admit he is a Communist. Vuskovic has long been chief economic adviser to Allende, who apparently has given him command of that vital area of the UP administration. With the porkbarrel ministries of finance, public works, and labor also in their hands, the Communists have the leverage to achieve ultimate dominance of the economy. The PS reportedly was glad to saddle the Communists with the problems of these difficult departments while Socialists took posts important in setting broad policies. The Communists, however, are assuming increasingly obvious influence in the policies adopted by the government.

The Radical Party ministers of mining, defense, and education, are not outstanding per-

sonally, or in those fields, and are not likely to control their departments. Their appointments are primarily political payoffs and non-Marxist window dressing. The remaining four posts were divided among the three small UP members. Of the nominally non-Marxist ministers, only Agriculture Minister Jacques Chonchol is outstanding. He was the chief architect of the controversial PDC agrarian reform program and is a far leftist who broke with the Frei government and party as too moderate. During nearly ten years with the UN he served for several years as agricultural adviser to Fidel Castro.

Interior Minister Jose Toha, a ranking Socialist journalist who has Allende's full confidence, is the key figure in the new government. His Communist deputy, Daniel Vergara, also has extensive



Jose Toha

powers and is described as tough and brilliant. There is no vice president in Chile, and Toha is first in succession if Allende leaves the country, dies, or is incapacitated. Toha also directs the administration of the 25 provinces, where, in the most important of these, Marxists have been named as chief executives. He also

runs all the police and security forces in Chile. Toha has disbanded the crack riot control groups within the national police, as Allende had promised, and there is strong indication that the police will also be the first focus of government moves to rid the armed forces of possible opponents. The new commandant of police is a mediocre officer reportedly chosen for his malleability.

Foreign Minister Clodomiro Almeyda is a leader of the extreme left wing of the PS, but his initial public statements are consistent with the Allende government's obvious effort to create an

SECRET

SECRET

25X1

international image of responsible behavior. His rapid recognition of the Cuban Government will not be unpopular in Chile and may set off a trend among other Latin American governments. These countries may, however, look less kindly on his giving a year's asylum to exiled Bolivian guerrillas, as some of Chile's neighbors' greatest fear of Allende's government is that it will support dissident movements against them.

The minister of defense is a 69-year-old Radical with a long record as a teacher at the military academy and as an admirer of Allende. His choice seems to have been a move to reassure the armed forces that no strong hand would be exercised by the government in their affairs, at least for the present. The same message is projected in the selection of retired officers as subsecretaries and of senior, respected officers as commanders in chief of the three services. The three service commanders had all demonstrated their belief in Allende's constitutional right to the presidency following the election. The commander of the air force, who reportedly has ties with Allende, has indicated that he wants to go ahead with earlier plans to purchase planes from the US in order to foreclose a switch to other sources of supply. Top army and navy officers have also said that they want to firm their commitment to US and Western European sources of equipment and spare parts.

More than half of the cabinet ministers are not only figureheads but also men of unimpressive backgrounds, notable primarily as party regulars, whether Marxist or not. They will be overshadowed by the experienced Marxists named to such powerful posts as head of the Central Bank, press secretary to the president, and chiefs of the copper, development, housing, and other official corporations. It will be in the already well-established areas of the Chilean Government control such as these that the real policies and decisions will be revealed. Allende's administration has many such channels for changing national institutions without apparent violation of democratic norms or Chilean laws and traditions.

The Popular Unity Program

The Communist leaders considered the UP program the heart of the popular front movement and the candidate merely its instrument. One of their hesitations over Allende was the belief that his "highly personalistic style" might inhibit the full execution of the program. The Communists also have the most concrete plans to transform the economy and expand their own political base and control. The Socialists want to prevent this outcome, and some Radicals and other non-Marxists now show signs of realizing that they have committed themselves to a line of development without receiving anything in return except a few meaningless jobs.

Like the Communists, Allende realizes that some immediate bread and butter benefits will go far to mask the obscurities and the real purpose of the programs. Building on the enthusiastic response to his offer of "forty immediate measures" during the campaign, Allende's first cabinet meeting emphasized such steps. They include emergency housing programs, free milk for all children, improvement of wages and social security benefits, and a crackdown on all price increases. The administration, however, already is blaming the financial constraints inherited from the Frei government for the necessity to modify some of its grandiose spending plans. At the same time, large-scale nationalizations are being justified by UP spokesmen as the only means of covering a growing budget deficit.

One of the government's first challenges has come from the homeless, who counted on Allende to ease their plight. Squatters have taken over not only empty urban land but also new but unoccupied housing that had been assigned to and paid for by lower class workers. In the Santiago area more than 4,000 dwelling units have been seized since the election in September. On 17 November protesting homeowners stopped traffic on a major highway for 24 hours. On 22 November Allende himself visited one of the areas where housing intended for air force personnel

SECRET

SECRET

25X1

had been seized. He argued that the occupiers had taken dwellings that rightfully belonged to others of their same social class. Allende said that he would never use force to oust the squatters and pledged to go to the courts. The courts, in turn, could call on police to oust the occupiers, thus permitting Allende to keep his promise.

The 1971 wage policy is geared to solidifying labor support for Allende. Most workers are scheduled to receive a wage and salary readjustment at least equal to the 1970 increase in the cost of living. A new escalator feature will redistribute income among wage-earners by granting substantially larger increases to lower-paid groups, and a ceiling will be imposed on "high wages." Prices will be rigidly controlled and companies will be expected to offset the additional profit squeeze by expanding output.

The government has taken over two partly US-owned companies and intervened in a labor dispute in a third, perhaps as a warning that the administration is willing to force private enterprise to cooperate. The take-overs were precipitated by complaints of Communist-led labor unions and carried out under a 1945 law. In one case, that of a grain and feed operation, the government's action is in line with recent statements of Agriculture Minister Chonchol, who claims that agrarian reform implies a change in all of society, including control of industries serving the agricultural sector.

The administration has not yet indicated how it plans to complete the process of nationalizing the US copper companies. President Allende announced last week that he intends soon to present legislation nationalizing copper as well as banking and insurance. He may include some sort of constitutional reform to amend private property guarantees.

Outlook

The timing and extent of the transformation that Allende and his backers plan for Chile will be

affected by several factors, among them economic developments and strong differences within the UP coalition. The rapid move of Socialists and Communists into positions of control throughout the administration indicates that little regard will be paid to giving even the appearance of the pluralistic government that Allende has so frequently promised. The bitter rivalry between the two parties, moreover, may be sharpened sooner under this arrangement than in a government where other parties share more fully.

Events since 4 September indicate that there is unlikely to be any effective expression or unification of opposition to the government in the short run. In the long run it may become impossible. Chileans who were inclined to act to prevent Allende's assumption of power equivocated, nursed their divisions and uncertainties, or bungled. General Schneider's assassination has been effectively turned against them all.

A politically knowledgeable Chilean believes that only two percent of his countrymen felt personally threatened by Allende's plans at the time of his inauguration. Their influence—and possibly their number—is much larger, but for a variety of reasons there seems at present to exist in Chile little disposition to express criticism of the government. This situation is due partially to a national predilection for accommodation as well as to a cynical acceptance of political change. In addition, the threats and intimidation used by UP representatives and their massive take-over and redirection of 90 percent of the Chilean media and of cultural and educational activities have had a strong and pervasive psychological effect.

It is apparent that a high priority has been placed on controlling the security forces as soon as possible. The efficient, well-armed paramilitary national police, a volunteer force larger and better trained than the mostly conscript army, has received immediate attention to ensure control over it by Allende confidants. The investigative police has received similar treatment.

25X1 25X1

SECRET

SECRET

25X1

25X1 [redacted] the PS and other Marxist groups are improving their own militia forces. The claims of extensive opposition plotting made by the Marxist press and by Allende himself have helped to create a climate of fear and mistrust that, perhaps because it is unusual in Chile, is extremely contagious.

The government reportedly is establishing a new counterespionage organization that will be commanded by a former army officer ousted from the service on charges of subversive activities and ties with the MIR. [redacted]

25X1 [redacted] the military intelligence services will provide the resources for the new organization and that the primary sources of information will be the largely Communist-controlled local committees. Committee members will be asked to report on activities in their neighborhoods and places of employment. These local committees could develop into informant groups similar to the Cuban Committees for the Defense of the Revolution.

25X1 For the time being Allende appears to believe, probably rightly, that the military constitutes no threat to him. The assassination of General Schneider silenced most officers or pushed them into the role of defenders of the constitutional government that, for good or bad, is Allende. Although many officers may fear that he intends to distort or destroy their institution, their capability to mobilize action proved inadequate at the only time they might have acted. Allende will try to ensure that the possibility does not recur, although he apparently believes that he can and should postpone any move to rid the armed forces of possible opponents.

The Christian Democratic Party is still Chile's largest, both in legislative and electoral strength, but it was badly divided by Tomic's support for Allende. Former President Frei hopes to reunite it behind his prestige and to build an opposition force, particularly in Congress and

through PDC-owned news media. Frei himself has said, however, that the odds against the survival of democracy in Chile are ten to one. The deep mutual dislike between the PDC and the National Party and other conservative Allende opponents makes unlikely any effective cooperation between them.

As long as Allende forces are certain of sufficient PDC votes in Congress to help pass UP legislation, they will probably continue to use parliamentary procedures. When and if the PDC becomes less cooperative, Allende may introduce the desirability of constitutional changes in the legislative system; he may merely govern by decree. This is presently a procedure he could adopt without contravening the constitution. In fact, the Chilean chief executive has many broad powers that Allende will find useful.

In the international field, Allende's government is initially favored by the reluctance of many Latin American, West European, and other countries to "prejudge" him. Many who do not like his ideology believe that to appear unfriendly will radicalize his government all the more quickly. Others are counting on the obvious internal problems within his coalition to impose moderation. Chances of moderation seem less possible since Allende named his top officials; chances of increased internal friction seem greater.

Some neighboring countries are particularly nervous over the effect Allende's government will have on their own situation. Argentina is the most nervous but hopes to remain on friendly terms, thus keeping well-informed on developments in Chile that might affect Argentina.

Allende's recognition of the Cuban Government on 12 November will be popular in Chile, where a wide spectrum of political and business

SECRET

SECRET

25X1

groups has long favored it. Chile voted for the entry of Communist China into the UN, and recognition of the government in Peking is likely to come soon. Relations with North Vietnam, North Korea, East Germany, and Albania will follow, although Allende's promises in this regard may be tempered by economic considerations. On 16 November Chile and North Korea established commercial relations for the first time.

The Soviet attitude of caution toward the new government seems prompted in large part by fear that Aliende may sooner or later seek Soviet financial assistance, although Almeyda's friendliness toward Communist China and the Socialists' fear of excessive dependence on Moscow may also be inhibiting factors.

25X1

25X1

* * *

Special Report

- 10 -

4 December 1970

SECRET